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ADDRESS

of

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DIRECTOR OF CENTRAL INTELLIGENCE

to the

ALUMNI DINNER OF THE UNIVERSITY OF CHICAGO LAW SCHOOL

November 30, 1954

After some thirty years of work at the law in the domestic and international fields, I now find myself, since I joined the Central Intelligence Agency four years ago, faced with problems for which the law books fail to supply the answers.

One of these problems which I shall discuss with you tonight is this:

How can a society like our own which bases its actions on respect for law,

deal with the Soviet bloc of countries whose actions in international affairs

are motivated by rules of conduct totally outside the law.

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To put this issue quite concisely: How can we best conduct ourselves to counter the subversive cold war techniques of international communism.

Here in the United States, in common with most of the countries of the free world, we follow certain rules of conduct, under law, both in our internal affairs and in our international dealings. We have inherited, and must maintain, certain principles to protect the freedom and dignity of the individual and of our society. These include, among others, the protection of persons and property from arbitrary acts, the freedom of speech, short of advocating the violent overthrow of Government.

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We are free to criticize governmental policies, to organize political opposition, and advocate peaceful change in our laws and institutions. Except in case of war censorship, the press, subject to the laws of libel and slander, is free to publish what it likes. Our citizens have the right of habeas corpus and cannot be deprived of life, liberty or property without due process of law.

In international affairs, we abide by certain accepted rules of conduct. We do not interfere in the internal affairs of other countries. We believe in respecting the political and legal institutions of others and their right to organize their political life as they see fit.

We do not attempt to maintain cells of political activists in foreign lands and we do not dominate foreign labor unions or foment strikes abroad. Nor do we organize and subsidize political parties within the deliberative assemblies of other countries.

Today on the world scene we confront, as a reality, a vast political organization that works on wholly different principles. This organization engages in all of the activities I have just mentioned and many more. I refer, of course, to the international Communist movement with its head-quarters in Moscow with an affiliated organization in Peiping and with branch offices in Warsaw, Prague and many other parts of the world.

It is my conviction that here in the United States we still have not thought through the problem of how a peaceful law-abiding society can deal with an international conspiracy which operates under none of our legal or moral inhibitions, either domestically or internationally, and which promotes a world-wide plot to undermine free institutions.

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One hears a good deal of comment to the general effect that this country is not doing too well in the cold war. There is a superficial tendency to dismiss the problem in the hope that somebody in Washington can find some mysterious formula that overnight would change this situation. What is really needed is a better public understanding of the fundamentals of the issues we are facing. Only thus can we recognize the techniques of international communism and take more effective measures to meet them. This is a job which is beyond the capabilities of any single Government bureau and will not respond to any trick formula.

Until recently we have pushed this problem into the background. Quite understandably we have been preoccupied with the Soviet military build-up and the urgent requirement for an adequate defense in terms of our Army, our Navy, and our Air Force. The Moscow inspired attack on South Korea, and the Soviet development of nuclear weapons dramatized our need for a strong and alert military establishment.

Because we have so largely responded to this need the Soviet seem to find it prudent to divert their efforts into other channels - the covert subversion of free countries with methods that are subtle and hard to identify and that cannot be met by military means alone. As you may surmise these methods are the subject of particular study in the Central Intelligence Agency.

Possibly it would help to clarify the discussion to have a brief look at the Soviet cold war apparatus.

The nerve center is in Moscow. Peiping is an important outpost. The relationship between the two is in the nature of a partnership, with Peiping

Approved For Release 2001/03/02: CIA-RDP70-00058R000200050065-3 being the junior but nonetheless having an important voice in the shaping of policy, particularly in the Far East.

Current events indicate that while the Moscow partner is holding the brief for "co-existence" in Europe, the Chinese partner is trying to make a shambles out of this concept in Asia.

In various places in the USSR and in the satellites there are training centers to teach the techniques of subversive action and propaganda. Here not only Soviet citizens are indoctrinated, but also candidates from China and the satellites as well as agents of every nationality for their worldwide network. Persons from the countries which are high on the target list for a subversive campaign are given priority.

Here is an example that is close to home. When Guatemala was marked for Communist take-over and the pro-Soviet government of Arbenz had been securely installed in power, the leading Guatemalan Communists went to Moscow to get their orders. The number one Guatemalan Communist, Victor Manuel Gutierrez and the Secretary of the party, Manuel Fortuny, were in the Soviet and satellites for several months in 1953 and 1954. A bit later, when the Guatemalan Communists were preparing for a complete take-over, they sent one of their number - a certain Daniel Alfaro Martinez - to Prague. There he negotiated the notorious arms deal for some 4 millions of dollars in cash. The Soviet drove a hard bargain. The arms they sent were second rate. But when this secret arms deal was penetrated and given wide publicity, it shocked the Guatemalan people into action and they threw out the Communists.

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The Soviet keep as a closely guarded secret the number of their citizens and foreign indigenous agents who are trained for subversion in the USSR, in China, and in the satellites. Certainly the number runs into many thousands. As the students graduate, they flow into the Soviet apparatus throughout the world.

The free world has no mechanism like this and hence its role has tended to become somewhat defensive. To deal with Soviet penetration technique, the non-Communist countries must depend upon their own generally inadequate internal security and police forces which are developed primarily to deal merely with local troubles and infractions of the law and not with an international conspiracy. We are fortunate here to have in the FBI, under J. Edgar Hoover, an organization which appreciates the nature of this international conspiracy and is taking here all appropriate measures under law to deal with it.

Then, apart from the Soviet secret agent mechanism, though coordinated with it, there are in most countries of the free world well organized front organizations of various types. Foremost among these are the Communist political parties. These parties vary greatly in strength. Among the strongest in Europe are those in France and Italy. In the French National Assembly there are 99 Communist Deputies, slightly less than 20% of that body, and the Communists had a voting strength in the last election of ever 25 per cent of the total electorate.

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Deputies in France get orders from Moscow. Many Frenchmen who support the

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those 99 Deputies they sent to Paris always act as a block and always under
the orders of the Kremlin.

Take the situation in Italy. In the Italian Chamber of Deputies there are 143 Communists and 75 Leftist (Nenni) Socialists who regularly vote with the Communists. Together they make up 37 per cent of the total Italian Chamber. These Communists and captive Socialist Deputies, like their brethren in France, act on foreign orders. If they could gain any substantial added strength under the present free Italian parliamentary procedures they would claim the right to organize a Communist government. Then, of course, following the Czechoslovak pattern they would abolish all the rights and procedures under which they came to power.

Here is one of the techniques of the Communists to which I call your attention as lawyers. Freedoms under our laws and parliamentary procedures are used and abused by the Communist for the very purpose of gaining the power to destroy the legal bases of free government.

As an interesting historical footnote, it is well to note that both the French and Italian constitutions were drawn up under strong Communist influence and with hard-core Communist participation. Both of them were hand tailored to bedevil the processes of Democratic government and to facilitate a Communist take-over.

A word about the Communist trickery in the last Italian election in 1953 is in point. They saw that they could not prevent their major opponents from gaining an absolute majority by legal means so they proceeded to challenge votes wholesale on the most frivolous grounds. In all, about

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a million ballots were invalidated in this way. In Naples alone, I am told, some 10,000 ballots were thrown out by the Communists because in sealing the ballot envelope, the women casting the votes had left a trace of lipstick. The election law provided there should be no extraneous markings on the ballot.

Unfortunately, the Italian legal machinery for catching up with this fraud was too slow and the Communists came through with a far stronger showing than they deserved.

The Communist parties are strong in many countries other than France and Italy - and are even making progress in this Hemisphere as the Guatemala incident shows.

Even in countries where they have a voting strength of 5 per cent or less of the electorate, they still maintain a well knit underground party apparatus that can always help out where there are riots, strikes or other such incidents. For example: The British Communists are a negligible political factor; alone they are incapable of any serious subversive efforts. Nevertheless a few weeks ago they were able to influence the leadership of London's dock workers and helped to turn a minor wildcat strike into a general port walkout which for a time crippled the economy of England - and do this despite opposition of the responsible labor leaders of the country. Today in North Africa, where the Communists are numerically weak, they abet every disruptive move taken by extreme Nationalists.

In addition to the Communist party organizations, the Moscow master plan includes a long list of highly active and vocal front organizations, ready for action in their particular sphere, for example:

- (1) The World Federation of Trade Unions. Two of the affiliates of this Federation are the largest trade unions in France and Italy. The Federation, with its headquarters in the Soviet sector of Vienna, claims a membership of some 20 million outside the Iron Curtain, dispersed among 57 countries of the non-Communist world.
- (2) The World Peace Council, which spearheaded the phony Stockholm peace appeal which eventually lured signatures from some two million Americans. The last meeting of the Council, held in Vienna, cost a half million dollars and was financed by the Soviet Military Bank.
- (3) There are two large international Communist Youth organizations the International Union of Students and the World Federation of Democratic Youth. They claim a combined membership of 80 millions and have put on mammoth world youth rallies in Berlin and Peiping. They are used as a mechanism to recruit and indoctrinate new party cadres of able young men from the free world.
- (4) As Lawyers you will be interested to know about the International Association of "Democratic" Lawyers, which has its headquarters outside the Iron Curtain. When the Communist high command decided to propagate the lie that we had employed bacteriological warfare in Korea, they used this Association as a front to launch their false charges against us. Various other fronts then took up the refrain and played it for many months in an orchestrated campaign of vilification.
- (5) Then there is a Women's International Democratic Federation. We six have estimated that it must cost the Communists some · nillion dollars to run the Women's Federation for a single year and to pay for the costs of

Approved For Release 2001/03/02. GIA-RDP70-00058R000200050065-3 sending large Communist delegations from some forty different countries to its various international meetings.

Finally, they control newspapers and news media in many countries of the free world. These papers get their guide lines from Moscow. It is always amusing to see what they will do when an event occurs that is not covered by standing instructions. Generally they temporize until the Kremlin has reached its decision, but sometimes they can't wait to get their guidance. Then there is real confusion, as for example when Moscow was hesitating over its policy toward the Marshall plan and again after Stalin's death when the eulogies of the foreign, and even the satellite, Communist press found little echo in Moscow.

This list of Soviet "fronts" touches only the high spots. Every important and vulnerable country in the free world has its particular type of subversive penetration apparatus, tailored to meet the particular political, social or economic weaknesses of the country in question.

The Communists thrive on the fact that it is easier to destroy than to build, that many people everywhere are dissatisfied, and that the promise of power and the prospect of change, is seductive medicine.

We do not claim to have insight into the book of regulations under which the international Communist apparatus operates, but we know a good bit about it. High members of the MVD have revolted against the methods they have been taught to practice and have come over voluntarily - "defected" - to the free world and told us much. Some of this has been published to the world. Some, for security reasons, should be held back to help us to delve more deeply into the Communist organization and practices. Of course, the Communist political parties and front organizations, like icebergs, show a small per

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cent of their bulk above the surface, and this helps in following the apparatus to its underground.

Recently the Tudeh (Communist) party apparatus in the Iranian defense forces was thoroughly uncovered. Here they had made a deep penetration. Several hundred Communist agents in the armed forces were caught red handed and valuable lessons were learned as to the Soviet methods of operation in the Middle East. Also, it opened the eyes of many in that part of the world as to what the Communists were doing.

The defection in Australia of a single important Soviet agent and his wife was taken so seriously by Moscow that they removed their entire "official" establishment from Australia and Communist penetration there received a severe blow.

We estimate that Communist expenditure in support of its over-all subversive mechanism is approximately 10 per cent of its expenditure on its over-all armament program. On a comparable basis, that is, taking a comparable percentage of our defense budget, we would be allocating some three to four billion dollars annually to this type of activity. I need hardly tellayou that such is not the case.

This Soviet expenditure does not include the costs of their occupation and security forces maintained to hold down countries like East Germany, Poland and Hungary, Romania and Bulgaria; nor the cost of the armament they contribute to Communist paramilitary operations such as those in North Korea and the Viet Minh. Furthermore, it does not include the outlay in maintaining and manning the Iron Curtain itself - that physical barrier across the breadth of Central Europe to divide the free from the slave.

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Possibly this brief survey will give you some idea of the tasks which are faced in shoring up the protection of the free world against subversion. I can assure you that I have not exaggerated. If anything, it is an understatement. While, here in the United States, we have developed a relative protection against this particular brand of Communist penetration, the same is not true of many countries of Europe, of the Middle East, or of Asia, particularly today in Southeast Asia. Also, we know what is now going on in North Africa and we have had the recent experiences of Guatemala and Iran. The task of meeting subversive warfare is real and immediate.

On the European front we hear much from Moscow these days of the possibility of co-existence and of the relaxation of tensions. Let us hope that these possibilities will be realized in some tangible concrete fashion. Clearly since Stalin's death the Kremlin has been trying to play down the idea that it was threatening overt aggressions or military action. Their Far Eastern partners, Mao Tse Tung & Co. do not seem to be following suit either in the Formosa Straits or in the treatment of prisoners.

Though from time to time the Kremlin does appear to favor a softer line in dealing with the West, there is nothing in their actions which indicates that Moscow is willing to abandon the subtle type of subversive warfare which I have described.

It may be well to recall the Soviet action when hard pressed during the war and anxious to ensure our continuing military aid. They then decided it would be tactful to play down their objectives of world revolution. So they purported to disband their central organization for

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such activities, and on May 22, 1943, announced the dissolution of the Communist Internationale.

At that time, though somewhat skeptical, we hailed the action as "welcome news" and Secretary Hull added, "the elimination of that organization / the Comintern / from international life and the cessation of the type of activity in which that organization was in the past engaged is certain to promote a greater degree of trust among the United Nations and to contribute very greatly to the wholehearted cooperation necessary for the winning of the war and for successful post war undertakings."

The war once terminated and the hope of further military aid from us ended, Moscow reverted to type and created the Cominform at a meeting in Warsaw in September 1947. Interestingly enough, Moscow's spokesmen at that meeting, attended also by officials of the then European satellites and representatives of the French and Italian Communist parties, were Zhdanov and Malenkov. This meeting marked the commencement of Moscow's attempt to wreck the Marshall Plan and was followed by a series of grave strikes in France and Italy.

The post war revival of the Comintern under a new facade was only the beginning of the build-up of the Communist apparatus, and what we face today dwarfs the Comintern of pre-war days.

Certainly if there is to be any co-existence or period of relaxation, it cannot be achieved merely by treaties banning overt acts of aggression. Real co-existence must also hold safeguards against the continuance of subversive warfare that bores from within, that is unacknowledged and insidious - and yet holds fearful danger for any free society.

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When diplomatic relations were resumed with the Soviet Union in 1933, we tried to write into our agreements with Litvinov safeguards against subversion. They proved futile. How to accomplish this will, I fear, be beyond the reach of legal formulas. It is interesting to note that according to my researchers no lawyer was ever admitted into the charmed circle of the Politburo. Possibly this explains the Soviet disdain for written agreements and its preference for a type of action which knows no law.

It is contrary to our character and to our principles to interfere in the internal affairs of others as they, the Soviet do, in the free world. Hence our response to this particular type of Soviet warfare must in part be defensive. But, even if we should wish to emulate their course of conduct set by the Communist International, we would run into almost insurmountable obstacles.

A few words will suffice to show why. The free world is largely open to unrestricted travel and observation and consequently penetration by any malevolent power which wished to engage in this activity is easy. We have a free press and we tell friend and foe alike of what we are doing. Within certain limitations persons can travel throughout the length and breadth of the free world; and there take part in industrial, educational, literary and other activities. They can freely express their views and try to influence others to their way of thinking.

This free system, which we cherish and must preserve, does in itself tend to leave us wide open to the subversive techniques of international Communism.

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In the Soviet Union and the satellites, their practices preclude contact of the free world with the Iron Curtain countries and their peoples. They have constructed a physical barrier against us; they jam the airways; they have no free press which gives our views; and they allow no freedom of expression. They keep their people in ignorance of what we are doing; they do not freely publish significant information about events in their own country or abroad.

Therefore, on the territory of the free world, we are on the defensive against actions we cannot return in kind. But we can be aggressively defensive - not by restricting our liberties or by becoming a police state, but by creating conditions under which subversive Communism wilts away and where their agents and front organizations are quickly unmasked for what they really are.

In this regard we have made real progress here in the United States. But in many other parts of the free world, for a multitude of reasons, people are far less alert to the danger. However, there is no tendency in Washington either to accept passively future Soviet successes in the field of subversion or to recognize as final Communist subversive conquests which have extended the frontiers of international Communism into the very heart of Europe and into Southeast Asia.

There are many positive steps which can and have been taken. For example, we can show the difference between our way of life in a free society and that in Communist dictatorship. Today this is being done in Western Germany and Western Berlin, in Austria and in many other places where the free world comes closely into contact with the slave world.

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We can help develop the resources of backward areas, which are particularly subject to Communist infiltration, and raise the living standardsof. the free above that of Soviet controlled peoples. Many programs for this purpose are now being carried out; more can be initiated. Through the use of radios and many other means we can keep alive the hope of freedom which has never gone out in the Soviet satellite states. No Iron Curtain can completely cut off one section of the world from another.

We can and do offer asylum to those fleeing to freedom from the dictatorship countries and their messages can be beamed back to the peoples they have left. We can give aid to those countries which are determined to root out the Communists subversive apparatus from their midst and we should be prepared to do so.

And finally, we can unmask the Soviet subversive apparatus by opening its activities to the light of day. We can identify their front organizations, we can harass their underground agents. Each free country must act under its own laws and procedures, but once there is better comprehension throughout the free world of the nature of the peril, the incentive to take vigorous counter measures will follow. In this, as in many other matters, knowledge is the beginning of wisdom and wisdom should lead to action.

At best, however, I suspect that we must look forward to a prolonged period of cold war during which those who love liberty must be prepared to defend it against the organized attack of the totalitarian faith that is communism. Certainly, our objective must be to hold our own in this struggle and to expand the area of freedom.

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At the same time we must avoid the kind of thoughtless impatience or panic that could lead to the disaster of a general atomic war. This struggle that has been forced upon us will require cool nerves. It may require sacrifices of Americans and other free men in far and primitive corners of the globe. It will demand of us sympathy and respect for peoples whose faiths, customs and conditions of life are far different from ours, but who share with us opposition to totalitarianism.

Eventually, there is solid ground for hope that we can build on our side of the Soviet iron curtain a free world that is so militarily strong, so politically stable, so economically prosperous that the Soviets dare not attack and cannot subvert. This free community will exercise a powerful attractive force on the satellite peoples. It will demonstrate for those not completely blinded by fanaticism the falsity of the communist historical predictions.

With this may come the withering of the fanaticism which holds together the international conspiracy. Then, "peaceful coexistence" will become an actual condition to enjoy rather than a slogan of which to be wary.